

MATSON NAVIGATION COMPANY

ALEXANDER & BALDWIN, LTD.
AGENTS327 S.W. PINE STREET
PORTLAND 4, OREGON

April 2, 1948

*Mr. George H. Buckler, Chairman
Commission of Public Docks
Lewis Building
Portland, Oregon*

Dear Mr. Buckler:

As you know, Matson Navigation Company has been using Pier 2 Terminal #4 Portland since August 1946 under various arrangements and under a specific agreement since July 10, 1947.

We enclose copy of our letter of February 25, 1948 to the Commission and copy of reply of March 12 over the signature of your general manager.

We would at this time like to present to you and the Commission for your consideration, certain figures and factors that cause the company to look with considerable disfavor upon any action that adds to the overall costs of the terminal activities at Portland.

Exhibit A	Wharfage Revenues 1947	
	Pier 2 Terminal 4.....	\$38,486.87
Exhibit B (1)	Millage account 1947.....	\$22,793.78
(2)	Estimated Service Charge 1947....	\$19,830.73
Exhibit C	Comparison 2 mos. 1948 with 2 mos 1947	

All of the figures from which the calculations are determined in these exhibits have not been audited but the results are believed to be correct within $\frac{1}{2}$ of 1%.

Prior to the signing of the July 10, 1947 agreement, we advised your general manager that in our opinion the tonnage would not warrant our use of the entire Pier, particularly the shedded area. We finally agreed to paying the millage on all of the shedded area with the understanding that at anytime the matter could be reviewed.

APR 26 1948

T4T900000204

Mr. George H. Buckler

April 2, 1948

A complete analysis of our operations, ships and tonnage handled since that date and a like projection into the future clearly indicate that there is not yet enough traffic to justify our paying continuous rental upon the entire Pier area.

We do not believe that under an agreement to pay a monthly rental on a millage basis for the entire area the costs to us should be greater than if we had the Pier under a preferential assignment paying the service charge. We feel that under any rental basis where we are guaranteeing a monthly payment against the vagaries of cargo and schedules the cost to us should actually be less.

We suggest that the agreement of July 10, 1947 be changed to provide for our payment to the Commission of millage at rates as set out in the agreement but on 2/3 of the total area plus a pro-ratio additional billing when space in excess of the 2/3 is actually used.

In regard to the electric current, notwithstanding the position taken by your general manager, we feel that our position as stated in our letter of February 25 is correct and proper.

The consideration of the Commission is respectfully requested. Thanking you, we remain,

Yours very truly,

MATSON NAVIGATION COMPANY
Alexander & Baldwin, Ltd., Agents

By 
Portland Manager

RLK:nv
Encls.

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THE COMMISSION OF PUBLIC DOCKS
of the City of Portland, Oregon

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March 12, 1948

Matson Navigation Company
Alexander & Baldwin, Ltd., Agents
327 S. W. Pine Street
Portland 4, Oregon

Attention: Mr. R. L. Kingsbury

Re: Electric Current, Pier 2, Term. #4

Gentlemen:

This acknowledges your letter of February 25, 1948 in connection with electric current used by you at the above terminal. You have returned to us our bills D-661 and D-655, dated February 16th, with the statement that you believe the bills are in error.

This matter is fully covered by Par. 7 of the agreement between us, which is as follows:

"The Company agrees to promptly pay for all electric current, water and other utility services used by it at said premises. The Company shall be charged for such electric current and water in the same manner that other customers and tenants are charged for like services."

This provision was requested by us in order to conform with the practice prevailing in San Francisco under like Pier assignments and also because we do not desire to assume this expense under such conditions where we would have no control over the amount of electric current consumed, and if we have failed to bill you previously for all the current used, it is because of the oversight and negligence of our employees charged in making such billings. We will re-submit for payment, the bills returned by you.

Very truly,

THE COMMISSION OF PUBLIC DOCKS

By /s/ George D. LaRoche

General Manager

GDL/T

Encl.

T4T900000206

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February 25, 1948

Commission of Public Docks
Portland, Oregon

Gentlemen:

Attention Mr. Geo. La Roche, Mgr.

PIER 2, TERMINAL #4

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We return herewith your bills D-661 both dated February 16th in the amounts \$13.55 and \$210.43, which we believe are billed in error and not in accordance with our agreement of July 10, 1947. As you are perhaps aware, since we commenced using this terminal facility, we have been billed by you for electricity for light and heat for the office space, which is in accordance with our understanding of Item 7, of the agreement. These bills have amounted to approximately \$12.00 per month although from information available to us it may have been estimated or pro-rated due to your meter setup.

Sometime ago one of your employees advised our Pier Superintendent that they were going to separately meter the office lights and heat so that actual billing could be made, but we have had no previous information that there was to be any other billing for electric current.

It is our further understanding that other steamship companies are not assessed for any electrical current used for lighting other than that which you have been billing us for in the past, namely office lights and heat, unless, of course, power is used for some specific purpose in connection with ship repairs etc. The fact that we pay a millage rental instead of the service charge, which would otherwise be paid, we do not believe places us in any different category than "---that other customers and tenants are charged for like services".

We trust that you will give this matter your consideration and adjust this billing in line with the charges for which we have been billed in the past, which as mentioned above have been in the neighborhood of \$12.00 per month. It is understood of course that if the offices heat and light is actually metered separately that we would be billed for the actual amount of electricity used.

Yours very truly,

MATSON NAVIGATION COMPANY
Alexander & Baldwin, Ltd., Agents

By
Portland Manager

RLK:emk

BC: M. McKinstry, S.F.
BC: J.H. Jenson, Pier, 32, SF

T4T900000207

1947 WHARFAGE REVENUES, PIER 2, TERM. #4, PORTLAND

EXHIBIT A

*Hawaii:

General Cargo - Outbound

M.N.Co. Rev. tons 58,346.77
(wt. tons 2000# 40,684.39)

General Cargo - Homebound

M.N.Co. Rev. tons 20,835.62
(wt. tons 2000# 10,605.81)

Whfg. accruing to C.P.D. \$27,760.34

Lumber - outbound only
16,865M FBM

Whfg. accruing to C.P.D. \$8,170.05

TOTAL WHFG. ON HAWAIIAN
CARGOES.....\$35,930.39

**Australasia:

General Cargo - Outbound only

M.N.Co. Rev. tons 4,354.13
(wt. tons 2000# 3,784.33)

Whfg. accruing to C.P.D. \$1,709.08

Lumber - outbound only
1,778M FBM

Whfg. accruing to C.P.D. 847.40

TOTAL WHFG. ON AUSTRALASIA
CARGOES...\$2,556.48

GRAND TOTAL OF ALL WHFG.....\$38,486.87

*Hawaiian whfg. Jan. 1 through July 9 under tariff 2A C.P.D.; July 10 through Dec. 31 under Matson Terminals tariff #5. Wharfage rate on lumber is the same under both tariffs.

**Australasia cargo all under C.P.D. Tariff 2A.

EXHIBIT B

Millage at rates as per agreement
for a calender year \$25,198.56

Less Jan., Feb., March 1947 @ 1/2 rates 3,149.82
\$22,048.74

Plus allowance for C.P.D. car checking
service Jan. and Feb. 1947 745.04

Paid to C.P. D. 1947 by M.N.Co. \$22,793.78

For Comparison estimated service charges
Matson Navigation Company doing checking:

Hawaiian Cargo

General cargo OB 40,684.39 W/T tons @ 2/3 of 40¢ \$10,850.53
General cargo HB 10,605.81 W/T tons @ 2/3 of 60¢ 4,242.32
TOTAL \$15,092.85

Lumber FBM 16,865M @ 2/3 of 30¢ 3,373.00

Estimated total service charges
Hawaiian cargo- \$18,465.85

Australian cargo

General cargo OB 3,784.33 W/T tons @ 2/3 of 40¢ \$1,009.28
General cargo HB Nil --

Lumber FBM 1,778M @ 2/3 of 30¢ 355.60

Estimated total service charges
Australian cargo. \$1,364.88

Total estimated service charges. \$19,830.73

Extra cost to Matson account millage
rental basis year 1947. \$2,963.05

Exhibit C

All operation - Pier 2, Terminal #4 Service charges estimated from tonnage figures January - February, 1948

Outbound W/T tons 2000#	10,085.23 @ 2/3 40¢	\$2,689.73
Homebound " " "	1,960.66 @ 2/3 60¢	784.26
Outbound M FTBM	1,145 @ 2/3 30¢	<u>229.00</u>
		\$3,702.99

January - February, 1947

Outbound W/T tons 2000#	9,701.13 @ 2/3 40¢	\$2,587.29
Homebound " " "	547.74 @ 2/3 60¢	219.10
Outbound M FTBM	2,826. @ 2/3 30¢	<u>565.20</u>
		\$3,371.59

For Comparison:

	12 mos <u>1947</u>	2 mos Jan-Feb <u>1947</u>	2 mos Jan-Feb <u>1948</u>
Average M.N.Co. Rev. tons per month	6,961.4	6,583.9	8,764.8
Aver. M FTBM per mo.	1,553.6	1,413.0	572.5
Monthly average of estimated Service Chg. . .	\$1,652.67	\$1,685.8	\$1,851.50

Present millage costs per month	\$2,099.88
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